

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF KENTUCKY)	CASE NO. 94-460-B
POWER COMPANY FROM MAY 1, 1995 TO)	
TO OCTOBER 31, 1995)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on December 20, 1995 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Kentucky Power Company ("Kentucky Power")¹ for the 6 months ended October 31, 1995.

As part of this review, Kentucky Power, pursuant to Commission Order, submitted certain information concerning its compliance with Commission Regulation 807 KAR 5:056. A public hearing was held on February 22, 1996.

The Commission has previously established Kentucky Power's base fuel cost at 11.45 mills per Kwh.² A review of Kentucky

¹ On November 1, 1995, Kentucky Power Company was renamed American Electric Power Company.

² Case No. 94-460, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Power Company from November 1, 1992 to October 31, 1994, Order dated April 5, 1995.

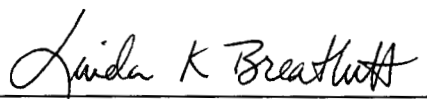
Power's monthly fuel clause filings shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 11.16 mills in May 1995 to a high of 11.91 mills in September 1995, with a 6-month average of 11.60 mills.

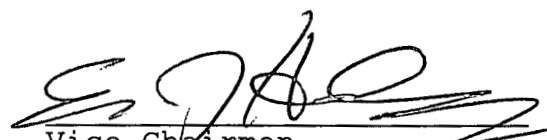
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of Kentucky Power's FAC charge or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by Kentucky Power through its FAC for the period May 1, 1995 to October 31, 1995 be and they hereby are approved.

Done at Frankfort, Kentucky, this 2nd day of April, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director